



Decision _____

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

2/20/26

04:44 PM

A2503010

Application of Pacific Gas and Electric Company for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2026	Application 25-03-010
And Related Matters.	Application 25-03-011 Application 25-03-012 Application 25-03-013

**INTERVENOR COMPENSATION CLAIM OF [ENVIRONMENTAL DEFENSE FUND]
AND DECISION ON INTERVENOR COMPENSATION CLAIM OF
[ENVIRONMENTAL DEFENSE FUND]**

NOTE: After electronically filing a PDF copy of this Intervenor Compensation Claim (Request), please email the document in an MS WORD and supporting EXCEL spreadsheet to the Intervenor Compensation Program Coordinator at Icompcoordinator@cpuc.ca.gov.

Intervenor: Environmental Defense Fund	For contribution to Decision 25-12-043
Claimed: \$182,438.50	Awarded: \$
Assigned Commissioner: Alice Reynolds	Assigned ALJ: Jonathan Lakey
I hereby certify that the information I have set forth in Parts I, II, and III of this Claim is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this Claim has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).	
Signature:	/s/ Dominic Peters
Date: 2/20/2026	Printed Name: Dominic Peters

PART I: PROCEDURAL ISSUES
(to be completed by Intervenor except where indicated)

A. Brief description of Decision:	This decision establishes the 2026 ratemaking cost of capital, including authorized return on equity and capital structure, for the large energy utilities, Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812¹:

	Intervenor	CPUC Verification
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	6/25/2025	
2. Other specified date for NOI:	N/A	
3. Date NOI filed:	7/25/2025	
4. Was the NOI timely filed?		
Showing of eligible customer status (§ 1802(b)) or eligible local government entity status (§§ 1802(d), 1802.4):		
5. Based on ALJ ruling issued in proceeding number:	R. 21-06-017	
6. Date of ALJ ruling:	November 9, 2021	
7. Based on another CPUC determination (specify):	N/A	
8. Has the Intervenor demonstrated customer status or eligible government entity status?		
Showing of “significant financial hardship” (§1802(h) or §1803.1(b)):		
9. Based on ALJ ruling issued in proceeding number:	R. 21-06-017	
10. Date of ALJ ruling:	November 9, 2021	
11. Based on another CPUC determination (specify):	N/A	
12. Has the Intervenor demonstrated significant financial hardship?		
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D. 25-12-043	
14. Date of issuance of Final Order or Decision:	December 22, 2025	
15. File date of compensation request:	2/20/2025	
16. Was the request for compensation timely?		

¹ All statutory references are to California Public Utilities Code unless indicated otherwise.

C. Additional Comments on Part I: (use line reference # as appropriate)

#	Intervenor's Comment(s)	CPUC Discussion
9/10	In D.25-11-021, the CPUC found that EDF had demonstrated customer status and significant financial hardship.	

PART II: SUBSTANTIAL CONTRIBUTION
(to be completed by Intervenor except where indicated)

Revised March 2023

A. Did the Intervenor substantially contribute to the final decision (see § 1802(j), § 1803(a), 1803.1(a) and D.98-04-059): (For each contribution, support with specific reference to the record.)

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>EDF argued that if the Commission continues to authorize above common equity ratios, California’s climate progress will be hampered</p> <p>EDF argued that the Commission begin adjusting the IOUs’ capital structure to be no greater than 50% common equity by authorizing a common equity ratio of no greater than the 2025 national average for electric and gas utilities, which—rounded to the nearest 50 basis points—is 50.5% for electric utilities, and 50.0% for the gas utilities (EDF Opening Brief at 13)</p>	<p>The Decision ultimately rejected EDF’s argument and maintained levels of common equity authorizations greater than 50% across utilities; however, EDF developed the record on this matter</p> <p>“EPUC/IS, TURN, SBUA, Cal Advocates, Wild Tree, EDF, Sierra Club, and PCF recommend lowering PG&E’s common equity ratio to a range between 45% and 50.5% and argue that PG&E’s requested common equity ratio is higher than the average proxy group and national average.” (D.25-12-043 or Decision at 7)</p> <p>“EPUC, IS, and TURN support SoCalGas’ proposal to maintain its existing capital structure. Wild Tree and EDF recommend a reduction in SoCalGas’ common equity ratio to either 45% (EDF) or 50% (Wild Tree).” (Decision at 11)</p>	

<p>EDF argued that the Commission adopt a structure with at least 55% for utilities. EDF requested of the utilities' witnesses whether each had prepared quantitative models that determined their proposed capital structures, and to provide those models if available. None of the utilities' witnesses had prepared such analyses, indicating each is using much less rigorous qualitative evaluations. (Exhibit EDF-01 at 13-16)</p>	<p>The Commission was unpersuaded by EDF's argument and adopted a Decision that maintained existing long-term debt in capital structures across utilities; however, EDF developed the record on this matter</p> <p>“EDF argues that the Applicants have failed to substantiate their recommendations for capital structure. EDF recommends that the Commission adopt a capital structure with at least 55% debt for each utility, which would target BBB credit ratings” (Decision at 9), (Decision at 11-12), (Decision at 18)</p>	
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<p>EDF argued that the Commission should authorize lower ROEs to be no greater than the national average (EDF opening brief at 13)</p> <p>EDF argued that the Commission should lower ROEs to be able to meet California’s climate goals, “Climate progress and affordability are not contradictory goals, rather, energy affordability enables customers to make choices which make California’s climate objectives achievable.” (EDF opening brief at 13)</p> <p>EDF claims that Applicants present no unique risk evidence to justify a higher than national average ROE. (Exhibit EDF-01 at 64)</p> <p>EDF submits final ROE proposals (Exhibit EDF-01 at 68).</p>	<p>-The Commission was persuaded by EDF’s arguments, but ultimately adopts ROEs greater than EDF’s suggestions.</p> <p>“While both SoCalGas and EDF recognize this risk, they differ on its impact on the cost of capital. SoCalGas argues the risk justifies a higher ROE, while EDF argues that the Commission should lower ROE to discourage investment in gas infrastructure.” (Decision at 37)</p> <p>“EDF argues that the Applicants present no evidence that California utilities face unique risks, highlighting recent wildfires in Hawaii, Colorado, Texas, and the Pacific Northwest. EDF asserts that California utilities’ wildfire risk was in the middle of the range of all states.” (Decision at 40)</p> <p>PG&E’s ROE: “7.43% - 8.55%” (Decision at 49)</p> <p>SoCalGas’ ROE: “6.30% - 7.39%” (Decision at 51)</p> <p>SCE’s ROE: “5.09%-6.66%” (Decision at 52)</p> <p>SDG&E’s ROE: “6.47% - 7.55%” (Decision at 53)</p>	
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<p>EDF recommended modifications to the cost of capital mechanism (CCM) to ensure just and reasonable rates.</p> <p>“The CCM was adopted in 2008 as a means of allowing the ROE to change in a prescribed way between the three years when the ROEs are updated more broadly. Unfortunately, this CCM is only exercised at the discretion of the utilities who have no incentive to invoke it while debt rates are falling. It took a spike in inflation that drove up bond and debt rates in 2022 to trigger the first formal use of the CCM.” (Exhibit EDF-01 at 65)</p>	<p>The Commission considered but ultimately was not persuaded by EDF’s arguments to make changes to the CCM in the Decision.</p> <p>“EDF asserts that the CCM has never been implemented to lower ROEs, and notes that utilities have never submitted an advice letter to lower ROEs resulting from CCM implementation.²³⁵ EDF recommends adjusting the CCM so that outside parties may propose implementing the CCM to adjust ROEs.” (Decision at 60)</p>	
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor’s Assertion	CPUC Discussion
a. Was the Public Advocate’s Office of the Public Utilities Commission (Cal Advocates) a party to the proceeding?²	Yes	
b. Were there other parties to the proceeding with positions similar to yours?	Yes	
c. If so, provide name of other parties: Cal Advocates, TURN, EPUC/IS		
d. Intervenor’s claim of non-duplication: EDF conferred with the above-mentioned similarly aligned parties but presented distinct arguments. EDF also engaged in, but ultimately did not reach, settlement negotiations with these parties and the four Applicants in this proceeding. As a result of those conversations under Rule 12 of the Commission’s Rules of Practice and Procedure, EDF ensured that its position was coordinate with but not duplicative with these other parties. If any duplication of effort occurred, it was unavoidable due to the large number of parties actively engaged in		

² The Office of Ratepayer Advocates was renamed the Public Advocate’s Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which the Governor approved on June 27, 2018.

	Intervenor's Assertion	CPUC Discussion
a. Was the Public Advocate's Office of the Public Utilities Commission (Cal Advocates) a party to the proceeding?²	Yes	
the case. EDF's comments substantially assisted the Commission's deliberations and decision making. In particular, EDF focused on how rate structures affect not only ratepayer affordability concerns, but also California's ability to achieve its climate goals.		

C. Additional Comments on Part II: (use line reference # or letter as appropriate)

#	Intervenor's Comment	CPUC Discussion

PART III: REASONABLENESS OF REQUESTED COMPENSATION
(to be completed by Intervenor except where indicated)

A. General Claim of Reasonableness (§ 1801 and § 1806):

	CPUC Discussion
a. Intervenor's claim of cost reasonableness: EDF's costs were reasonable given the scope and complexity of the proceeding. EDF worked diligently to spend an efficient and prudent amount of time throughout the case.	
b. Reasonableness of hours claimed: <u>Attorney Time:</u> EDF devoted a total of approximately 150.7 hours of attorney time for work performed by EDF's attorney, Elizabeth Kelly. This is reasonable for the scale of the proceeding and range of issues presented in the proceeding. <u>Expert Time:</u> EDF contributed a total of approximately 190.3 hours of expert time for work performed by Richard McCann, James Fine, Alec Fleischer, and	

	CPUC Discussion
Michael Colvin. This is reasonable given EDF’s contributions to the issues presented in the proceeding, as detailed in Part II.A.	
c. Allocation of hours by issue: EDF spent the approximate percentage on the following issues: Capital structuring: 40% Return on equity: 40% Cost of capital mechanism: 20%	

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Elizabeth Kelly	2025	150.7	675	Rate not yet set, but 2025 is a COLA-only year	101,722.50			
Richard McCann	2025	79.75	335	2022 rate +5% increase for COLA	26,716.25			
Alec Fleischer	2025	25	250	Rate not yet set	6,250.00			
James Fine	2025	35.5	478	2020 rate +5% increase for COLA	16,969.00			
Michael Colvin	2024	50.05	615	Rate not set yet, but 2025 is a COLA-only year	30,165.75			
Subtotal: \$						Subtotal: \$		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
[Person 1]								
[Person 2]								

CLAIMED						CPUC AWARD		
<i>Subtotal: \$</i>						<i>Subtotal: \$</i>		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Dominic Peters	2026	4	160	½ of requested 2026 rate	640			
<i>Subtotal: \$</i>						<i>Subtotal: \$</i>		
COSTS								
#	Item	Detail			Amount	Amount		
1.								
2.								
<i>Subtotal: \$</i>						<i>Subtotal: \$</i>		
<i>TOTAL REQUEST: \$</i>						<i>TOTAL AWARD: \$</i>		
<p>*We remind all intervenors that Commission staff may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§1804(d)). Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenors' records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer's normal hourly rate</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR ³	Member Number		Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation			
Elizabeth Kelly		12/28/2009	268401		No			

**C. Attachments Documenting Specific Claim and Comments on Part III:
(Intervenor completes; attachments not attached to final Decision)**

Attachment or Comment #	Description/Comment
1	Certificate of Service
2	Resume of Elizabeth Kelly
3	Resume of Richard McCann

³ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

Attachment or Comment #	Description/Comment
4	Resume of James Fine
5	Resume of Alec Fleischer
6	Resume of Michael Colvin
7	Resume of Dominic Peters
8	<p>Allocation of Time for Environmental Defense Fund</p> <p>1. Elizabeth Kelly, Attorney</p> <p>Ms. Kelly’s legal energy experience (15+ years) and expert energy economics and rate design experience prior to becoming an attorney are set forth on her resume, Attachment B.</p> <p>Above the midpoint of the range is appropriate for Ms. Kelly due to her unique and extensive energy and regulatory experience, including:</p> <ul style="list-style-type: none"> • Her economics degree which allows for a greater degree of understanding of financial and technical matters before the Commission; • Her experience in energy economic and rate design consulting which contributes to her substantive knowledge in energy; • The extent and depth of her experience in energy and project finance transactions; • Her experience in launching MCE, California’s first Community Choice Aggregator, which required extensive legal and regulatory advocacy, in many cases without specific precedent before the California Public Utilities Commission; • Her experience serving clients specifically before the California Public Utilities Commission; and • Her service within energy and legal groups that have advanced her knowledge and experience, including: <ul style="list-style-type: none"> o Founder of the San Francisco Women General Counsel Circle o 2018 National Association of Women Lawyers General Counsel Institute, Member of Planning Committee and Workshops Subcommittee

Attachment or Comment #	Description/Comment
	<p>o 2017 National Association of Women Lawyers General Counsel Institute, Member of Planning Committee, Workshops Subcommittee, and Logistics Subcommittee.</p> <p>o 2016 CAISO Energy Imbalance Market Governing Body Nominating Committee, Public Interest and Consumer Advocate Committee Member</p> <p>o 2015 CAISO Board of Governors Nominee Review Committee, End User and Retail Provider Committee Member</p> <p>2. Dr. Richard McCann, Expert</p> <p>Dr. McCann specializes in environmental and energy resource economics and policy. His expertise and experience with testimonies and reports on behalf of numerous federal, state, and local regulatory agencies on energy, air quality, and water supply and quality issues are detailed in his resume.</p> <p>3. Dr. James Fine, Expert</p> <p>James Fine is an economist with over 25 years of relevant experience.</p> <p>4. Alec Fleischer</p> <p>Alec Fleischer has spent over 2.5 years as a Research Associate at M. Cubed. He has a total of 3.5 years of relevant work experience and is currently pursuing a Master of Business Administration degree with a concentration in Renewable Energy at the University of Colorado, Boulder. Given his professional experience, he is classified as an economist II.</p> <p>5. Michael Colvin, Expert</p> <p>Michael Colvin spent over 10 years at the California Public Utilities Commission and another 6 at Environmental Defense Fund. Given his experience he is classified as public policy analyst V</p> <p>3. Dominic Peters, Expert</p> <p>Dominic Peters has worked as a Senior Analyst at Environmental Defense Fund for 5 months. He received a Master in International Affairs degree from UC San Diego focused on energy policy and has more than 2 years of relevant professional policy analysis experience. Given his academic qualifications and professional experience, he is classified as a public policy analyst III</p>

D. CPUC Comments, Disallowances, and Adjustments *(CPUC completes)*

Item	Reason

PART IV: OPPOSITIONS AND COMMENTS
Within 30 days after service of this Claim, Commission Staff
or any other party may file a response to the Claim *(see § 1804(c))*

A. Opposition: Did any party oppose the Claim?	
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If so:

Party	Reason for Opposition	CPUC Discussion

B. Comment Period: Was the 30-day comment period waived <i>(see Rule 14.6(c)(6))</i>?	
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If not:

Party	Comment	CPUC Discussion

(Green items to be completed by Intervenor)

FINDINGS OF FACT

1. ENVIRONMENTAL DEFENSE FUND [has/has not] made a substantial contribution to D. 25-12-044.
2. The requested hourly rates for ENVIRONMENTAL DEFENSE FUND’s representatives [, as adjusted herein,] are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses [, as adjusted herein,] are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$_____.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, [satisfies/fails to satisfy] all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. ENVIRONMENTAL DEFENSE FUND is awarded \$ _____.
2. Within 30 days of the effective date of this decision, _____ shall pay ENVIRONMENTAL DEFENSE FUND the total award. [for multiple utilities: “Within 30 days of the effective date of this decision, ^, ^, and ^ shall pay ENVIRONMENTAL DEFENSE FUND their respective shares of the award, based on their California-jurisdictional [industry type, for example, electric] revenues for the ^ calendar year, to reflect the year in which the proceeding was primarily litigated. If such data are unavailable, the most recent [industry type, for example, electric] revenue data shall be used.”] Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning [date], the 75th day after the filing of ENVIRONMENTAL DEFENSE FUND’s request, and continuing until full payment is made.
3. The comment period for today’s decision [is/is not] waived.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D.25-12-043		
Proceeding(s):	A.25-03-010		
Author:			
Payer(s):			

Intervenor Information

Intervenor	Date Claim Filed	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
ENVIRONMENTAL DEFENSE FUND	2/20/2026	182,438.50		N/A	

Hourly Fee Information

First Name	Last Name	Attorney, Expert, or Advocate	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Elizabeth	Kelly	Attorney ⁴	675	2025	
Richard	McCann	Expert	335	2025	
Alec	Fleischer	Expert	250	2025	
James	Fine	Expert	478	2025	
Michael	Colvin	Expert	615	2025	
Dominic	Peters	Expert	320	2026	

⁴ Kelly serves as a consultant to EDF

Revised March 2023

(END OF APPENDIX)